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JPRS L/9780

10 June 1981

Near East/North Africa Report

(FOUO 20/81)



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CONTENTS

ALGERIA	
Chadli's Africa Tour, Dissociation From Qadhdhafi Described (Hamza Kaidi; JEUNE AFRIQUE, 15 Apr 81)	1
Interview on Pegging Gas Price to Crude Oil Levels (Belkacem Nabi Interview; AFRIQUE-ASIE, 27 Apr-10 May 81)	3
EGYPT	
Infighting, Interplay Among Communists, Other Dissidents Reviewed (AL-WATAN AL-'ARABI, 1-7 May 81)	7
American Aid, Intelligence Infiltration Flayed (AL-WATAN AL-'ARABI, 24-30 Apr 81)	15
IRAQ	
Trade With FRG Stepped Up (8 DAYS, 11 Apr 81)	23
KUWAIT	
Capital Rise for KFAEC Reported (8 DAYS, 11 Apr 81)	21
MOROCCO	
Moroccan Phosphates: A Formidable Stake (Philippe Simonnot; JEUNE AFRIQUE, 15 Apr 81)	26
TUNISIA	
Survey of Tunisian Political Class (Souhayr Belhassen; JEUNE AFRIQUE, 15 Apr 81)	29

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ALGERIA

CHADLI'S AFRICA TOUR, DISSOCIATION FROM QADHDHAFI DESCRIBED

Paris JEUNE AFRIQUE in French 15 Apr 81 p 61

[Article by Hamza Kaidi: "Qadhdhafi, Don't Know-At the Time of His Major Trip South of the Sahara, President Bendjedid Disassociated Himself From His Libyan Ally"]

[Text] Eleven Black African countries in a dozen days, or one country per day on the average -- that was the trip Algerian President Chadli Bendjedid started on 28 March, which was to take him to Mali, Angola, Zambia, Zimbabwe, Mozambique, Madagascar, Seychelles, Tanzania, Congo, Niger and Nigeria.

Another "curious thing" is that this is the first time an Algerian chief of state has visited so many sub-Saharan countries. During his brief term of office (September 1962 to June 1965) Ahmed Ben Bella went to Ethiopia in 1963 for the conference which set up the OAU and to several West African countries (Senegal, Mali, Ghana and Liberia). Then there was Guinea in 1964. Houari Boumedienne, more concerned with the Arab World and socialist countries, only went to Ghana, on the occasion of the second OAU summit (Accra, October 1965).

Progressives and Moderates

Things started to change in 1976 with the Sahara affair and the proclamation of the SDAR (Saharan Democratic Arab Republic). Algerian arguments in this affair had much more of an echo in Black Africa than in the Arab World. The SDAR was recognized mostly by African countries, while among the Arabs it only chalked up belated recognition from two countries, South Yemen and Libya, if one does not count Syria's semi-recognition.

So it is not by chance that among the 11 countries visited by President Chadli 9 have recognized the SDAR (Angola, Congo, Madagascar, Mali, Mozambique, Seychelles, Tanzania, Zambia and Zimbabwe). But to link this trip only to the Sahara affair would be an exaggeration. Though the Algerian president went to "progressive" countries which are politically close to Algeria, he also visited moderate countries which, moreover, have not recognized the SDAR -- Niger and Nigeria.

Common Interests

It is not forgotten in Angola, Mozambique and Zimbabwe that Algeria was one of the countries most involved in supporting liberation movements. In Luanda people are inclined to remember that Angolan resistance fighters were trained in the ranks of

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the FLN even before Algerian independence, and that the first armored vehicles received by the MPLA in 1975 in its struggle against UNITA [National Union for the Total Independence of Angola] and the FNLA were sent by Algiers.

With regard to the countries classed as moderates, and aware of Nigeria's importance, the Algerians have always made an effort to maintain good relations. With Niger there has always been respect for relations which are those of good neighbors, even though Algiers has asked insistently but in vain that Niger recognize the SDAR. Besides, common interests link Algeria and those two countries, including the Trans Saharan road. On the Algerian side work is well advanced. The Nigerian border will soon be reached. In Niger there are still some stretches to be built but the financing problem is resolved. And Nigeria, which has joined in this project, looks favorably on progress made on this road which will open up an outlet to the Mediterranean for it.

Political matters were certainly taken up during this trip. The communiques issued at each stage give us hardly any information about that aspect of the discussions. However, one can well hypothesize that aside from certain big problems (Sahara, Namibia, the Indian Ocean) there was a great deal of discussion of Libya. President Chadli's hosts, who are made uneasy by Mu'ammar Qadhdhafi's attitude, asked Chadli to check the hotheaded colonel's zeal.

Pious Wish?

For his part, the Algerian chief of state took the opportunity to disassociate himself from his "ally," who is onerous in the eyes of the persons to whom he was talking. This nuance of disassociation was grasped by most of them in connection with the Chad affair. Some of them even expressed the desire to see Algerian and Ghanaian troops in an OAU framework replace the Libyans in Chad.

But even if this wish is flattering to President Chadli, it has practically no chance of being fulfilled. More than ever, Algerian diplomacy is cautious in the extreme.

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ALGERTA

INTERVIEW ON PEGGING GAS PRICE TO CRUDE OIL LEVELS

LD011213 Paris AFRIQUE-ASIE in French 27 Apr-10 May 81 pp 40-41

[Interview with Algerian Energy and Petrochemical Industries' Minister Belkacem Nabi by Charles Jean in Algeria: "The Price Algeria Is Asking for Its Gas is That of a Rare, Exhaustible and Nonrenewable Energy Product..."—date not given]

[Excerpt] Charles Jean: According to the "energy" resolution passed by the last Central Committee session Algeria has pledged to draw up a long-term plan which takes account of the interest of present and future generations and whose main objective is to satisfy national needs. Exports will henceforth be fixed in relation to national options, and the country's energy resources will be exploited in the best possible way. What is the aim behind these decisions, and how do you intend to implement them?

Belkacem Nabi: The national energy policy was adopted by the FLN Central Committee which is the only body empowered to take strategic decisions. The decisions contained in the final document reflect the will to respect the principle of energy conservation and the desire to convert a rare, exhaustible and nonrenewable resource into production capital [actifs productibles]. In both cases we see that the interests of future and current generations are really being considered.

At international level, current energy problems and the approach adopted by officials show that energy independence and security of supply are given priority over price questions in the long term. Thus any export of hydrocarbons should make it possible to consolidate the national means of production, because it is a sacrifice which must leave something specific in exchange for future generations.

In this context security of supply must bring us security of development in return. The attempt to establish this balance presupposes that means of determining natural gas prices are found. From our viewpoint the characteristics of the international energy market (crude oil and natural gas) ought to be the best indicators to take into consideration in fixing the natural gas price.

At the domestic level a series of measures have beer taken to ensure that better use of production capability makes it possible to reduce the part which revenue from the export of hydrocarbons plays in financing the national economy.

3

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Charles Jean: A great deal of publicity is now being given to the suspension of the Algerian-U.S. negotiations. There are many different verdicts: "excessively high price," "exclusively political nature of the event," "technical hitch..." Some people are even talking of Algeria's isolation. What are the real facts?

Belkacem Nabi: First allow me to point out that the negotiations have not been suspended but that the process started is continuing.

These negotiations, which took place on a particular level in the initial phase, have now been taken to a different level in the second phase. At the present stage they have been resumed at a different level, now that the administrations in the two countries have been able to see that a number of major obstacles prevented a very long-term agreement being drawn up. The search for short-term solutions, however, is making positive progress.

In the first part of your question you use three expressions which reflect either narrow views or sensationalism on the part of some circles, many of which are completely won over by our partners' viewpoints.

The price Algeria is asking is one which both corresponds to a rare, exhaustible and nonrenewable energy product, enables optimum use of resources, and takes the international community's interests into account. In addition, the price levels envisaged are comparable to those used in international transactions for liquified natural gas.

As regards the political nature of the event, we all know that energy problems have become the main concern of all political officials both in the exporting countries and the consumer countries. The arguments invoked to answer your second question show the reasons which justify the positions adopted by both sides. It is obvious that the consumer countries wanted to maintain full control over gas prices but that this position is being increasingly superseded by the existence of a need for growth in their economies.

Moreover, I believe that the viewpoint put forward by Algeria is one which determines the natural gas exports carried out by a number of OPEC countries, and that exporters who are not members of that organization make use of the same objectives as ours.

You mention a technical hitch. Algeria has itself tried to reduce the difficulties caused by the use of a complex formula which has led to an Algerian liquefied natural gas price which is not in line with the price asked by other exporters. It has, therefore, proposed to link that price to that of the international energy market, in other words to the crude oil price.

In the past part of your question you refer to "isolation" as opposed to "unity behind a common idea." What are the facts of the matter? All gas exporters already link the gas price to the oil price or are asking for them to be linked by means yet to be defined. Even the consumer countries now accept

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this situation. Therefore, there is unity behind a common idea. Furthermore, if my information is correct, the EEC has just advised its members to link the price of natural gas to the crude oil price. As you see, our ideas have won support both from the natural gas-exporting countries and from the consumer countries themselves.

Charles Jean: In face of active solidarity among the Western powers, how is south-south solidarity being organized and developed, especially in the energy sphere?

Belkacem Nabi: You talk of active solidarity among the Western powers. I think it should first be explained that this "solidarity" has not brought acceptable solutions to the international community's problems. I will simply cite the case of the erosion of the international monetary system following the collapse of the Bretton Woods parities in 1971.

These economies' degree of dependence in the energy sphere varies; Japan's problems cannot be compared with those of the United States or Britain. This kind of solidarity which consists of trying to weaken the poorest, most underprivileged countries can only have negative results. However, I must say that there are officials in the industrialized countries who are aware of the need to moderate tensions, reduce disparities and avoid basing the wealth of some on the extreme poverty of others.

As regards south-south cooperation, the planned creation of an OPEC development bank should help solve the poorest countries' balance of payments deficit problems, encourage trade between those countries and set up investment financing networks appropriate to those countries' domestic methods.

As far as Algeria is concerned cooperation projects have been launched with various African countries: Tanzania (drillings); Mauritania (refining); Mozambique: Sierra Leone (supplies); Angola, Mali and Cape Verde.

Other projects will soon be drawn up, following the visit I made to several countries on our continent at the beginning of March.

Charles Jean: OPEC has recently given the impression of having been shaken by the Iranian-Iraqi crisis. Indeed, the celebration of its 20th anniversary has been indefinitely postponed. What are Algeria's main concerns in view of the routine OPEC conference in Geneva on 25 May?

Belkacem Nabi: Over the past two decades OPEC is the organization which has posed the most serious problems to the Western countries.

The latter have been forced to take account of that situation and have fixed the objective of gradually weakening it, since they cannot destroy it. We must avoid falling into that trap and of boosting very specific interests, since OPEC has always been able to preserve its unity despite differences of opinion and the sometimes contradictory views of its members.

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As regards the Iraqi-Iranian conflict, we can only try to contribute to finding an effective and rapid settlement, because it gives us cause for special concern.

I am not worried about the coming OPEC meeting because our organization now has considerable experience.

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EGYPT

INFIGHTING, INTERPLAY AMONG COMMUNISTS, OTHER DISSIDENTS REVIEWED

Paris AL-WATAN AL-'ARABI in Arabic 1-7 May 81 pp 22-24

/Article: "The Egyptian Opposition Abroad: An Auctioneers' Shop?"/

/Text/ This report might, for once, gladden President al-Sadat's regime. It reveals the mistakes and weak points of his opponents abroad. However, AL-WATAN AL-'ARABI's goal in this has been to convey an honest picture of the fragmentation and rifts among Egyptian opposition figures in exile and to warn them of the gross errors they are committing against the struggle of the Egyptian Arab people in the first place and against themselves secondly.

These days, Cairo is teeming with stories and rumors about the steps and measures President al-Sadat will present on 15 May, the anniversary of his launching of his "corrective" movement in 1971.

The reason for the noise now being made in Egyptian political circles is the violent attack al-Sadat launched against the opposition in Egypt in the speech he gave in the Central Committee auditorium to journalists he met with after the election of the new head of the Journalists' Union, Mr Salah Jalal, in a bitter struggle whose management al-Sadat himself supervised in order to bring down the former union head, Mr Kamil Zuhayri.

Although al-Sadat did not wholly succeed in bringing his clients into the union council, since a number of Egyptian opposition journalists managed to become council members, he directed warnings to all journalists abroad to return to "the home of Abu Sufyan" before 10 May or his hands would be free to adopt the decisions he deemed suitable in their regard, starting with turning them over--again--to what is called "the socialist public prosecutor," preparatory to presenting them for trial "in absentia" before the Court of Censure which he innovated, which might issue prison sentences against them in absentia for various terms which could be up to life.

However, tales and rumors in Egyptian political circles do not pause long nowadays before the problem of journalists abroad or at home; rather, they transcend it, to a matter which is graver--the regime's intentions regarding the opposition parties in Egypt.

Does al-Sadat intend to dissolve the opposition parties, or, more accurately, dissolve the two opposition parties, the Socialist Labor and National Progressive

7

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Unionist Grouping Parties, by a decree from on high or a "popular referendum," as some of the regime's agencies have intimated, on grounds that the party experience has failed and a "clean" political "opposition" can become ensconced within the ruling National Party itself?

Some pessimistic political analysts and observers in Egypt do not rule out the possibility that al-Sadat will proceed with such a step, which would remove the last "layer of mud" from the "democratic nature" of the regime and its political liberalization.

They build this notion on the fact that the regime further needs to intensify its grip on the internal situation, following the news which leaked out concerning his determination to abrogate subsidies on essential commodities, except for discs of bread, in carrying out the advice which the International Monetary Fund has long been insisting on in exchange for raising employees' salaries in a tangible manner. In addition, there are the preparations the regime itself is making in the form of a new stage which might have problems and unanticipated surprises as regards relations with the Zionist state, following the new Israeli elections next 30 June and the possibility that the Labor Party might come to power, and the review of the course of Camp David, which so far has come up against a brick wall, which might result from that.

However, some optimists consider that it is difficult for al-Sadat to take such a serious step as eliminating parties and returning once again to the system of a single party and single opinion, as he often vaunts, in his many speeches, that he has destroyed that and built his "democracy" on its rubble.

They do not ascribe the seriousness of this step to al-Sadat's concern for adherence to democracy, or to the fact that he has lost the "courage" to adopt it, but rather to the fact that the United States of America itself does not agree to this step, which would produce further troubles for the regime, stripping it of the democratic form which the United States is anxious to see continue in Egypt as a safety valve against the complete transformation of the opposition into a secret opposition whose movement it would be difficult to control and whose progress it would be difficult to oversee--as well as depriving it of cards it can play with if the need requires!

Whatever steps al-Sadat might take in the coming days, it is certain that the wave of internal terror will be intensified and that the repression of opposition forces will increase, regardless of the ways and means the regime devises to reach its objectives.

While the domestic opposition forces are deeply aware of this fact, and are preparing themselves to deal with it in the forms it is to adopt, the Egyptian opposition abroad does not seem to possess the same level of awareness of this fact--in fact, some detachments of this opposition may have been acting contrary to the requirements and circumstances of the current stage, prompting some people who are following up on these detachments' activities domestically to wonder what they want and what they are actually aiming at.

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The Detachments of the Egyptian Opposition Abroad

The detachments into which the Egyptian opposition abroad are broken down are numerous, but they can be specified as follows:

The members of the Egyptian Communist Party, which is loyal to the Soviet line and is led by Mr Michel Kamil.

The members of the Socialist Vanguard, a branch of the Socialist Vanguard organization in Egypt which is led by Mr 'Abd-al-Majid Farid.

The members of the Socialist Union, whose sole exponent abroad so far is Mr 'Abdal-Mun'im Ghazzali, who issued a pamphlet in its name condemning the declaration of what is called "the Egyptian National Front Abroad."

The Enlightenment Movement, which, while it has declared only "cultural" or intellectual goals, "is involved in opposition to the policies of the regime in existence in Egypt now."

The 8 January Group, which is represented by the Egyptian journalist Tahir 'Abd-al-Hakim.

In addition to these groups, which have clear, specific political and organizational identities, there are other groups bearing the names of "the movement of Egyptian Nationalists Abroad," and "the Federation of Democratic Youth." They are two groups, belonging to the Egyptian Communist Party, Michel Kamil Branch, and the "Nasirist Organization," a small group of little value which has no relationship to the domestic Nasirite organization and no presence except in a furnished apartment in Beirut which the Libyans expressly rented for it.

On 27 March 1980, Lt Gen Sa'd-al-Din al-Shadhili proclaimed what he called "The Egyptian National Front Abroad" in Damascus. At that time Lt Gen al-Shadhili himself signed this declaration, in his capacity as secretary general of this front, along with Michel Kamil, for the Communist Party, Dr Hikmat Abu Zayd for the Nasirists (she subsequently withdrew her signature), Hasan Fath-al-Bab for the Nationalist Grouping Abroad, and someone else who signed with an alias, Abu Muhammad, representing what is called the religious current; he is known to possess a Saudi passport and work as a counsellor to the Saudi Embassy in London.

On the media level, there is only a small publication printed on a duplicating machine, issued by the Socialist Vanguard, a monthly publication bearing the name of "the Arab Left" issued by the Michel Kamil group in Paris and printed in Beirut, and an irregularly issued bulletin bearing the name "Solidarity" issued by Tahir 'Abd-al-Hakim, published in Beirut also. In addition to that there are non-periodic publications issued by the members of the Egyptian Communist Party in Europe, which they call "Democratic Papers." About a year ago the magazine 23 YULYU, issued by Mr Mahmud al-Sa'dani in London, was discontinued, for financial reasons.

This is the political picture of the Egyptian opposition abroad, in its specific narrow organizational lines, though its real size is much greater and broader than that, when we add the dozens of writers and journalists, hundreds of university

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professors, thousands of instructors in Arab universities and institutes and tens of thousands of employees and workers spread about across the whole area of the Arab nation—a volume compared with which the proportion of the opposition confined to the framework of limited political organizations and formations, possessing media appearances, of means propaganda and political affiliations, is insignificant, being by virtue of its fragmentation and dissension of less obvious influence on the mass political and media levels.

A glance at this political picture of the Egyptian opposition abroad shows that it would have been able, either within its narrow organizational limits or its broad mass horizons, to constitute a massive political weight oppressing the Egyptian regime in perceptible fashion, nourishing the forces of the domestic opposition and backing them in their struggle in a manner transcending the mere issuance of declarations and publications of support.

However, the real situation is very different. The sickness of rifts and fragmentation has afflicted the Egyptian opposition abroad. Perhaps the basic reason for the spread of this insidious disease is that some detachments of the opposition have forgotten or ignored their real goals and the reasons for their very existence, have entered as a party to existing Arab struggles and have become an inseparable part of the game of polarization among Arab regimes--moving according to the strings which draw them to one regime or another.

Perhaps the group which Michel Kamil leads, which belongs to one wing of the Egyptian Communist Party, is the example which best expresses not only the nation of Arab polarization and formation of axes but also the notion of exploiting these polarities and axes for the sake of their goals or the goals of the people who are their guardians.

At the beginning, this group found a safe haven for itself in Iraq. Iraq offered it every aid and assistance. It put out the first issues of its monthly publication with Iraqi support. Its leader, Michel Kamil, was appointed "non-resident editor" of the Iraqi newspaper AL-THAWRAH with a monthly salary, writing a word in this newspaper. When he faced a problem getting residence in Paris, the Iraqi Embassy appointed him as an employee and gave him a permit to reside on its grounds.

However, abruptly, after relations between Iraq and the Libyan regime became tense, he decided to side with the "jamahiriyah" against Iraq, after he visited Tripoli and met with Col al-Qadhdhafi, receiving a promise of financial support for his group and his monthly publication from him. After that, the publication began to be issued with Libyan support, although the regime of the jamahiriyah absolutely forbade it to be circulated in Libyan markets.

Since the regime of the jamahiriyah is based on a group of vertical organizational formations, one of which was headed by Ahmad Shahatah, before he was dispensed with in recent months, and another was and still is headed by 'Umar al-Hamidi, secretary general of the Arab People's Conference, Michel Kamil at the outset allied himself with Ahmad Shahatah, then abandoned him and allied himself with 'Umar al-Hamidi, who opened the doors of the Arab People's Conference to him so that the members of the "Egyptian delegation" and the members of the permanent secretariat (that is, the group of employees belonging to the office of 'Umar al-Hamidi himself, namely Jamal al-Sharqawi, Ghali Shukri and Ahmad 'Abd-al-'Al) could be appointed to it.

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After that, activity then shifted to the formation of what was called "the Egyptian National Front." At that time, Lt Gen Sa'd-al-Din al-Shadhili, the hero of the crossing in the October 1973 war, was seeking a political role on the state of the Egyptian struggle and was ceaselessly issuing noisy statements to the effect that he was going to bring down the regime in Egypt, giving one to believe that he dominated "secret organizations" widely deployed throughout the Egyptian armed forces which were only waiting for a signal from him to overturn the regime.

al-Shadhili continued to seek personalities on which he could depend. At the beginning he took Ghali Shukri as a secretary and sent him on missions to detachments of the Egyptian opposition in Paris, London, Damascus and Tripoli.

At the same time, Michel Kamil found a prodigal son in Lt Gen al-Shadhili a lofty personage with a broad voice in various areas of the Arab nation who could play the role of the political and media figure of the "National Front" the Communists were composing from the members of the Egyptian Communist Party organization, running it to their benefit and thereby benefitting from the repute of the "independent" lieutenant general, and perhaps from his illusory military organizations, once they had titillated him with feelings of political leadership and heroism following his military heroism.

Difficult negotiations began, in which Lt Gen al-Shadhili tried to incorporate the Socialist Vanguard organization into his front. He actually did send his secretary, Ghali Shukri, to 'Abd-al-Majid Farid, bringing a letter to this effect. The Socialist Vanguard organization refused to enter a front which did not contain real parties and organizations that first of all had an effective, active presence domestically.

The negotiations failed, and the fictitious front was on the verge of breaking up before it was established, but then the Libyans, who had promised support and backing, intervened; a meeting was held with Maj 'Abd-al-Salam Jallud and Ahmad Shahatah in Tripoli, attended by Lt Gen al-Shadhili, Michel Kamil and Dr Hikmat Abu Zayd in which it was decided to proclaim "the front." After that, the lieutenant general traveled to Damascus and Baghdad, then returned to Damascus where he met with the other parties to the front except Hikmat Abu Zayd, at a noisy press conference which announced the formation of the front and the genesis of the "strategic alternative" to al-Sadat's regime which he had long been waiting for.

The Front Accepted Communists As Members, Then Fell Silent

By the nature of the case, the Palestinian and Lebanese nationalist organizations believed the lieutenant general's call, in view of the nationalist credit and mass name he possessed, and representatives of most of these organizations and groups attended the meeting. The lieutenant general declared that the front would strive to open offices in every Arab country that recognized it and would strive to look after Egyptians working abroad in the various Arab countries. Its ultimate goal was "to bring down al-Sadat and restore an Arab Egypt."

Michel Kamil hastened to prompt one of the people in charge of an organization belonging to the Egyptian Communist Party, the "Federation of Democratic Youth," to ask to join the newly-emerging front, and Nabil Ya'qub, the person in charge of this

organization, an Egyptian who has been living in East Germany since 1952, actually presented a request to join the front at the "mass" meeting in Beirut. A number of members of Michel Kamil's group, active in the framework of what is called the Grouping of Egyptian Nationalists Abroad, also hurriedly asked to join.

Thus membership applications started to "rain down" from members of the Egyptian Communist Party, and their membership was immediately accepted in the midst of intense applause from their comrades, who were attending the "mass" meetings. The only one who did not join was Ghali Shukri; the lieutenant general became angry with him, terminating him from his position as secretary after he confirmed that he was not devoted to him alone and warnings that it was necessary to get rid of him rained down upon the lieutenant general's ears.

However, the celebration did not last long. In a few weeks, the front on which hopes of liberating Egypt had been fastened became utterly silent. Offices were not opened in Arab capitals, the army of liberation, or army of deliverance, was not formed, and the lieutenant general's noisy statements on the approaching fall of al-Sadat did not continue. Even the Egyptian Communist Party publication ceased mentioning the front, except rarely.

The jamahiriyah, as is always its wont, did not offer "support," but, to the opposite, started making the Egyptians working on its territory form what were called "revolutionary committees," In the Libyan manner, showing disdain for various previous agreements and promises with the leaders and members of the front. Lt Gen al-Shadhili did not even attend the meeting of the Arab People's Conference, which Libya dominates with its money and its political directives, after the members of the conference refused to send him an invitation from the conference that was being held and to send a delegation to accompany him from Algeria to Tripoli, where the conference was being held, as he had requested.

It appears that the lieutenant general lost confidence in the "perseverance and steadfastness" states. After attending the meeting of Arab graduates in the United States in Washington a few months ago, in which he declared that he alone could be the "requisite alternative" to al-Sadat, in phrases bearing the sense of a "letter to whom it may concern," he returned to his residence in Algeria to continue his silence, then made a trip to the Gulf states to collect donations on behalf of his future front.

Michel Kamil is now occupied with leading the "harsh" struggle against the members of the "Egyptian Asian-African Solidarity Committee," whose members have dared to venture beyond Egypt's geographical boundaries, go to Beirut, which he considers one of his areas of influence, and get in direct contact with the Palestine Liberation Organization behind his back. He considered this contact "frightening" because the Egyptian delegation contained a number of Egyptian nationalist personalities known for their long national progressive struggle in the context of the whole Arab stage, including Lutfi al-Khuli, Dr Yahya al-Jamal, Dr Fu'ad Mursi, Ahmad Hamrush, Sa'd Kamil, and, Abd-al-Rahman al-Sharqawi, secretary general of the Asian-African Solidarity Organization. The objective of the meeting was to break the isolation that al-Sadat had imposed on the Egyptian national and progressive man in the street and to hold a sincere meeting on the broad Arab national stage, in order to stress an important, essential notion, which is that the people of Egypt are not the regime

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of Egypt and that while al-Sadat has imposed isolation from the Arab people on Egypt, Egypt must not alienate itself from the Arab people.

Michel Kamil and his group considered this contact with the Palestine Liberation Organization to be an invasion of his areas of influence and competition on the playing field on which he engages in his special game. He ranted and raved and issued publications, deeming this meeting "a conspiracy" personally hatched by al-Sadat to break his Arab isolation and deeming the personalities attending almeeting "tools" in the hands of al-Sadat. He was not so scingy as to withhold them the charge of "national treason." Through his special relations with some members of the Liberation Organization, he whispered his "information" on the gravity of the great conspiracy into their ears, and some of them became implicated and believed him: Abu Salih published an article in the Beirut newspaper AL-!AFIR condemning this meeting, which he attended.

Why the Fragmentation Attempts?

Naturally such excited reactions could not pass away easily. Charging people who are Egyptian combatants on the national, domestic and progressive stage with "treason" is an act of which the least that can be said is that it is sabotage of the Egyptian Arab struggle and fragmentation of the unity of domestic Egyptian resistance, especially since the charge was issued by a person who does not have the combative history some of them do at least, since they inhabited Egypt's prisons and concentration camps in previous periods at a time when he was working in the Motion Picture Propaganda Section of "Arab Contractors," which is owned by 'Uthman Ahmad 'Uthman, father-in-law of al-Sadat's daughter.

The National Progessive Unionist Grouping Party issued a statement, after a meeting of its secretariat, responding, on behalf of its members, to the biased accusation the "knight" of Communism abroad had levelled against them. The Egyptian Asian-African Solidarity Committee also issued a statement condemning this platform of political struggle. The crowning blow was Mr Yasir 'Arafat's declaration at the Asian-African Solidarity Conference held in Aden that Abu Salih was expressing only his own view, which he had drawn from one party, in his article and that the Palestine Liberation Organization esteemed and honored the Egyptian Asian-African Solidarity Committee and organization head, 'Abd-al-Rahman al-Sharqawi.

In all this, there is only tragic proof of the grievous deviation the conduct of this detachment of the Egyptian opposition has made from the platform of true revolutionary solidarity and true combative unity against the regime in Egypt. What he is placing at the head of his tasks is the fragmentation of the Egyptian opposition movement abroad, busying it with rancor and peripheral side issues, brandishing the sword of intellectual terrorism against those he considers his competitors, and levelling massive charges against the people leading the actual resistance movement within Egypt.

He imagines that he holds the winning card in the struggle, namely recognition by the "Communist international," although this recognition is now in doubt: he was not invited to attend the special meeting of world communist parties held a few months ago in Berlin and was not invited to attend the Communist Party Conference in East Germany. In any event, real struggle derives legitimacy not from recognition or non-recognition by large or small countries but rather from effect, influence and the ability to lead the fighting masses inside Egypt.

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While Michel Kamil today is raising the banner of the Egyptian Communist organization abroad, he has perhaps not yet forgotten that he was one of the people who heatedly demanded the dissolution of the Egyptian Communist Party in 1964 (to which he did not belong) and went to Abu Sayf Yusuf, who was a secretary general of the former Egyptian Communist Party, urging him (at that time the man was outside prison) to hasten to dissolve the party.

People who love Egypt, consciously and responsibly realize its role, and are feverishly awaiting its inevitable return to the arena of the Arab struggle, must be repeating the phrases of Fahd al-Qawasimah, the mayor of Hebron, full of pain, bitterness and condemnation at the same time--"a child's stone is far stronger domestically than the organizations' artillery. Perseverance is not a word that is uttered and broadcast by the media--it is constant practice, because what we ourselves see in the occupied territories is that we are struggling and standing up to oppression while others are just participating with us by prattling."

While al-Qawasimah's words expressed the emotion of people who were standing fast in the occupied Palestinian territories, nothing more truly expresses the emotions of the people truly standing fast in "occupied" Egyptian territory as well.

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EGYPT

AMERICAN AID, INTELLIGENCE INFILTRATION FLAYED

Paris AL-WATAN AL- ARABI in Arabic 24-30 Apr 81 pp 16-19

/Article: "The Latest Penetration in the Era of 'Liberalization: The Return of the Spirit to American Intelligence in Egypt"/

/Text/ The day Jamal 'Abd-al-Nasir took power, American Central Intelligence tried to infiltrate into positions of influence and failed. After the 'crossing' and 'liberalization' operations, these agencies returned to Cairo under the cover of development and loans, managed to attract a large number of institutions, and are operating in complete freedom to "Americanize" Egypt culturally, politically and militarily.

AL-WATAN AL-'ARABI is revealing what it can of the penetration operations the CIA has achieved inside Egypt, from the vegetable market to the political decision-making agencies, in the era of Sadatist normalization.

The story of American Central Intelligence activity in Egypt is long and moving. While it began in an obvious, effective fashion after World War II, important concentrated activity actually started with the attainment of power by a group of nationalist officers in the Egyptian army and their military movement (the Free Officers, under the leadership of 'Abd-al-Nasir), on the evening of 23 July 1952.

Throughout this long history, from World War II to the crisis between 'Abd-al-Nasir and the Americans following the arms deal he made with the Soviet Union, near the end of 1956, the list of American Central Intelligence activities is replete with notorious names and operations, from Kermit Roosevelt and William Lakeland, the political officer in the American Embassy in Cairo at that time, to Steven Mudd, a prominent person with previous experience in operations in the Arab region, who had previously, in 1949, been assigned the task of preparing the coup which took place in Syria (the Husni al-Za'im coup) and was also a close friend of Adib al-Shishakli, president of Syria--then, after him, many others, like "General" Cabell, James Engleburger and Paul Linebarger. The first of these men was a specialist in military regimes in developing countries and a military political scientist in the American Department of State; he managed to cement good relations with a number of major journalists in Egypt, including Muhammad Hasanayn Haykal and Mustafa Amin, and managed to form good bonds as well with a number of officers, including Salah Salim, who was minister of national guidance at that time. The second person was responsible for black propaganda in the office of American secret services in the war, and came to Cairo in 1954 on the mission of training

15

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some Egyptian staff persons in this work. In fact, he set out the main lines of the first study of public opinion in Egypt, claiming that that was necessary in order to supply 'Abd-al-Nasir with information (it was he who was in urgent need of it). The study was actually made, and two American women from the Bureau of Applied Social Research at Columbia University took part in it; through this cover, they were able to get in touch with students, peasants and professionals and obtain scarce information.

Lee White also came to Cairo in the same period; he was assigned a specific task, to "study" Maj Gen Muhammad Najib, who was the figurehead of the July revolution when it broke out and the man about whom the political struggle revolved and who possessed the keys to power at that time. After Lee White, there were numerous American intelligence men in Egypt, such as Kermit Roosevelt, William Lakeland, Thornton, Anderson, Bill Miller, (Heer), Bruce Taylor, and, directly after him, John (Sider).

Two Big Flascos

While this cancerous agency succeeded in playing specific roles in Egypt and the Arab region, which is totally natural, it incurred two big fiascos in Egypt during the period of 'Abd-al-Nasir's rule. The first was embodied in the well known episode of the attempt to "bribe" Jamal 'Abd-al-Nasir with \$3 million paid to him in the form of American aid to third world leaders; that is the sum which Hasan al-Tuhami received in late 1955, the story of which 'Abd-al-Nasir exposed 8 months later. This money was allotted to the construction of the famous al-Jazirah tourist tower. The second fiasco was embodied in Egyptian intelligence's success in disclosing the Mustafa Amin operation, making it possible to arrest him in the act of contacting a member of the American agency. This is one of the great operations of which the Egyptian intelligence agency is proud; a two-dimensional chart on it has been mounted in one of its museums as a mark of the agency's innovative ability and the accuracy of its work.

While it would be incorrect for us to say that the American Central Intelligence Agency paid no attention to Egypt, or that it had no activity in it, during 'Abdal-Nasir's reign, one can at the same time assert that its mode of action and its manner of activity took the form of an opposition agency working to crush a national leader, namely 'Abd-al-Nasir. This was achieved with 'Abd-al-Nasir's death in 1970 and Anwar al-Sadat's advent to power. The gates of Egypt opened wide to this agency, which became the one that arranged all political, economic and social affairs in Egypt, acquired a presence in all political, social and cultural organizations, and was behind every decision taken in every sphere.

The New Name

The new name behind which this agency cloaks itself in Egypt, and under whose aegis it operates, in the "Development Agency." This agency extends its hand to every activity in the name and in behalf of "development." It relies on a large number of American and Egyptian organizations and contains tremendous numbers of Americans, Egyptians, Germans, persons and organizations, because it is "an American body whose mission is to offer American loans and grants in the form of food, commodities, industrial projects and industrial expertise."

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"Money" has been the natural, spontaneous conduit by which this "development" age has entered Egypt, not for development but to mould the regime in a wholly capitalist manner, eliminate all ideas which were dominant in previous years on the application of socialism and adoption of Socialism as an economic and political system, and at the same time turn the Egyptian economy into a dependent economy permanently linked to and in permanent need of American aid.

Thus the conduit which seemed acceptable or feasible was "Joans and aid on the period text of uplifting Egypt." Anyone casting a glance at these loans and the manner in which they are used can uncover one aspect of the secret nature of the danger per game underway. In the period between 1975 and 1979, the total loans and aid came to \$4,197,750,000, or roughly 65 percent of all the loans Egypt obtained from all areas of the world. Last year alone (1980) the loans and grants came to \$1,165,000,000.

Where was this money invested, or "spent"?

It was basically disbursed in two areas serving the American market and American exports: food and American surplus agricultural production. Over the past 5 years, the agency has provided Egypt with foodstuffs estimated at \$1,875,000,000 in value, consisting of corn, frozen chicken, soybeans, wheat and oils. This year, 1981, the agency has allocated \$1.1 billion to be distributed or "spent" as follows:

\$850 million as a budget for American projects and commodities.

\$250 million as food aid.

The first sum (\$850 million) is allocated as grants without repayment, while the rest, \$250 million, is in the form of easy loans.

"Americanizing" Minds

The former amount, in addition to \$100 million in the commodity imports program, has been offered as a special grant under the title of "grant for peace." This concerns us more than others, since it is this sum which is spent for purely American purposes, not to feed the Egyptian people. Its revenues go back directly to America. That is the goal toward which this agency is striving--that is, the American "aid" in this case is aimed at the "minds" of the Egyptian people and not their stomachs.

The agreement on this "grant for peace" stipulates that 1,900 various grants are to be given for study in American schools and universities in the period September 1980-December 1984, provided that these grants be used for obtaining doctorates in the fields of science and technology which development in Egypt requires. In addition to that, there is a project "to link Egyptian and American universities" which will cost \$27 million and last 5 years. This has the aim of exchanging university students and professors in the two countries and exchanging academic and scholarly expertise. Then there is the "instruction media" project for schools and colleges, which will cost \$14.8 million, and the al-Matariyah Training Center, to which \$4.5 million have been allocated from the American side and \$2.4 million

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from the Egyptian side, for the purpose of training transport and communications workers. It is no secret to anyone that the aim in all these sums is to prepare Egyptian minds in the American fashion, so that they will become the "instruments" or which reliance will subsequently be placed in running things in Egypt: that is, they are the "cultural staffs" which will replace those that exist now.

Influence for Organizations

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However, the "agency's" American scheme does not stop there; rather, it is concerned with "reaching" the ordinary citizen, and not confining itself to academic fields alone; thus it was necessary to "infiltrate" the media and agencies of culture, as happened with the "educational" agencies.

Here one is talking about the most important, most serious American project in Egypt, which has been applied under the title of "the family planning project" or the "look around you project." To that project, \$16 million have been allocated, in accordance with an agreement signed in 1978. This is a very large figure when compared with what has been allocated for health facilities in the rural areas, which does not exceed one quarter this amount. If we investigate the way this sum is spent, we will find that it has been allocated as "grants," or "disguised bribes to a large number of people working in Egyptian media and cultural leadership." Foremost among them is Safwat al-Sharif, who was head of the Information Authority, supervisor of the project and the person who had the idea of the massive media output which was made under the slogan "look around you." At the present time, he occupies the position of minister supervising the Radio and Television Authority and thus dominates the Egyptian media through their most important instruments, radio and television. It is well known that Safwat al-Sharif was previously an officer in Egyptian intelligence, then was moved from intelligence to the General Information Authority. He succeeded in forming strong bonds with a number of American and German media. He made secret visits to Germany a number of times and signed a number of agreements between German and Egyptian media organizations, which bore fruit in the establishment of what have been called the "Nile information centers" supervised by the German Hans Seidel organization, a wing of American Central Intelligence, and its organizations in Europe and the third world. These media centers play an active role in Cairo and the Egyptian countryside, especially in the area of seeking the assistance of a number of university professors and assigning them a number of important studies and research works on the rural sectors, Egyptian society, "conduct," "management" and "trends"--all of which is research the central agency basically relies on in obtaining scarce information. At the same time, these institutes also arrange "acculturation" sessions on specific subjects: "family planning," "the media," "human rights," "liberal freedom," "people in America," and so forth--all issues serving American media and American policy, performed by a number of university professors who are closely allied with these agencies in their work. At the end of these lectures, they are taken apart after being recorded and a careful analysis is made of their contents and discussions which took place on them, in order to ascertain the "orientations of the professors and the orientations of the students as well." On each occasion, professors and students from whom no benefit is to be expected are dismissed and they are deprived of the generous rewards their other colleagues obtain.

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This actually happened to one professor, Dr Muhammad Khayri 'Isa, a former dean centre the Faculty of Economics and Political Science in Cairo, who, in one of his lecture dealt with a discussion of certain deficient aspects in capitalist societies. We was released, and "cooperating" with him in such lectures was prohibited, as consequently were the generous rewards allocated for this purpose.

The New Mask

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Safwat al-Sharif, the former intelligence figure and current media figure, who is very close to the vice president, Mr Husni Mubarak, and the wife of the Egyptian president, brought in these institutes and centers, which are supervised by the German Hans Seidel organization, to facilitate the Americans' task in Egypt. Along with them he also brought in another organization, German also, at the same level for the same purpose. This is the Friedrich Neumann organization, which occupies a prominent building in al-Zamalik and is supervised by an Egyptian expert who acquired German nationality 20 years ago by the name of Dr 'Abd-al-'Aziz al-Ghinam. He is married to a German woman and now is living in Cairo. He travels between Cairo and Bonn, the Sudan, and so forth.

This organization carries out much activity in order to obtain information inside Egypt through broad operations in the countryside and Egyptian industrial areas, under the cover of producing documentary and archival films.

In addition to that, this organization has been linked to the Media Faculty in Egypt by something resembling an agreement. Through this connection, it is not content just to carry out the brainwashing operations it conducts on the future media personnel in Egypt through lectures, visits and free invitations to visit America and Germany, which it organizes for them; it also uses these people to obtain information in the form of research and studies which it asigns them to carry out. Despite the opposition of a large number of faculty professors to these suspicious activities, they have not been able to ward off catastrophe, because of the position of Dr 'Abd-al-Malik 'Awdah, who supervises the dean's offices of three Egyptian faculties at the same time--the Faculties of Economics and Political Science and the Media and the Institute of African Studies, in addition to his position in the president's party and his friendship with Mansur Hasan, minister of state for the presidency.

'Abd-al-Malik 'Awdah (who previously was Muhammad Hasanayn Haykal's office manager in AL-AHRAM newspaper) managed to perform the most splendid services for American organizations when he allowed them--indeed helped them--penetrate the Media Faculty to take part in training media personnel going into the Egyptian media and obtaining the information they wanted under a scholarly cover. Therefore, in exchange, he received the "reward" he was entitled to and became the dean of three faculties in Egypt as well as being invited to visit America and having the educational expenses of his two sons, Jihad 'Awdah, who is now studying in an American university, and another brother who is studying engineering there, underwritten.

Dr 'Abd-al-Malik 'Awdah again tried to repeat the experience when a few months ago he proposed establishing an institute to measure public opinion in Egypt which would be subordinate to the Media Faculty and be financed by America, but this time he has not been able to carry out this conspiracy so far, since the faculty

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professors insisted that it was necessary to obtain official agreement from Egyptian intelligence to establish such an institute, whose work basically lies within the framework of the country's national security.

Family Planning

Let us go back to the subject of family planning and Safwat al-Sharif, who has been assigned this task. The amount of \$3 million out of a total of \$16 million disappeared under the title of "An expert institute in Chicago to prepare studies on the family planning project," and another 3 million went as expenses for celebrations and conferences inaugurated by Mrs Jihan al-Sadat, project supervisor; Safwat persuaded her these were important and necessary, so that she could also function as his support in any possible ministerial changes, as he has the ambition of becoming information minister of Egypt. This year, 1981, the total sums Safwat al-Sharif distributed from the "look around you" budget to television and radio leaders, to people such as Himmat Mustafa, television director, Ahmad Sa'id Amin, a television director, Safiyah al-Muhandis, radio director, and heads of radio and television channels and stations, such as Samiyah Sadiq, Amin Basyuni, Fahmi 'Umar, Shirwit Shafi'i, Madihah Najib and other major Egyptian broadcasters and media personnel, came to more than 2 million pounds.

The same thing that happened with these broadcasters also happened with a number of young people in the movies and television producers: they were assigned to produce and prepare films and technical materials on family planning in Egypt, in exchange for fantastic sums, on condition that they totally submit to the texts and subjects the "Development Agency" in Cairo approves. Nobody can think of violating this stipulation after the experience the Egyptian producer 'Abd-al-Qadir al-Talmasani went through when he produced the movie "Explosion," containing his conceptions, as a nationalist intellectual, of the collapse of the Egyptian economy, the real causes for it, and the dangers of the absence of scientific plans in development. This young man was surprised when they told him, "You violated the terms of the contract." A person who would be prepared to violate the terms of the contract would also be prepared to sacrifice the tremendous sums the American Development Agency would place at his feet.

Mass Culture

It seems that the activity and ambition of this American Development Agency in Egypt do not stop there. It has allocated part of its budget to the Mass Culture Agency to make propaganda for the "family planning campaign" via the cultural centers spread out in the towns and rural areas of Egypt which 'Abd-al-Nasir established basically to serve national culture and through theatrical and artistic troupes in the provinces. It organized a contest for a short story on the subject of family planning in participation with the magazine 'ALAM AL-QISSAH, which is supervised by the journalist Tharwat Abazah. Enrolling to take part in this competition were 420 young people from various governorates in Egypt, who were enticed by the editor in chief of 'ALAM AL-QISSAH under the cover of a search for "new talent!"

The American octopus has extended to the Egyptian village. In addition to the research it is carrying out on Egyptian peasants, possibilities for germ warfare, suitable areas for spreading specific germs within Egypt, Egyptians' ability to

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resist them and other matters which concern germ warfare experts--research which senior Egyptian professors such as Dr 'Abd-al-'Aziz Sulayman, former director of 'Ayn Shams University, who was assigned to prepare studies on malaria in the al-Fayyum area, assign--the Development Agency's apparatuses have spread out by carry out a comprehensive social survey of 40 Egyptian villages in which Egyptian peasant have been used like rats for experiments in certain areas, with the assistance of the Nutrition Institute in Egypt. Agreement has also been made between the Nati Research Center /and/ the American Environmental Protection Agency to carry out a joint project to study factors leading to water pollution in Egypt, and work has started with the acquisition of Nile water samples for analysis in America.

At the same time, the agency allotted the sum of \$5 million to establish social service training centers in the Ministry of Social Affairs in conjunction with the University of North Carolina. However, this project was not destined to succeed: when the Ministry of Social Affairs requested that social units be supplied with modern equipment and apparatuses, which would then be followed by the training of employees in this equipment, the Development Agency rejected the request and insist ed that the project first start with the training of workers.

While available information on the degree of "infiltration" into military areas is relatively small, there is no doubt that the establishment of the American base at RN's Banas is the most important and serious feature and landmark of it. The United States has insisted that the sum set aside for the establishment of this base (\$106 million) be allocated to private sector companies alone. This is the same condition which America had also previously imposed when it presented a "loan" for the repair of the port of al-Adabiyah, Suez.

Cultural Activity

After that, when we move over to the field of American activity directed toward areas of the press, that is, American publications or newspapers or purely cultural American institutions, there is the daily "Press Bulletin" issued by the International Information Agency of the American Embassy in Cairo. This publication more closely resembles a daily report on one subject of American "cooperation" with Egypt, and it shows the importance of the part the United States is playing to uplift Egypt in various fields. This report or daily bulletin is distributed privately among responsible Egyptian officials only.

The magazine AL-MAJAL is devoted to propaganda on American life in general and implantation of the American model of life and society.

The role of the American University in Egypt remains the biggest and most serious in this regard. This university, established in Egypt in 1919 as a secondary school, becoming a university in 1924, is fananced by American companies and the "development" authority as well. This year there are 300 Egyptian students and 200 foreign students from 50 nationalities in this university. This university contains an important 175,000-volume library. Its budget is \$8 million, of which the aid authority provides 45 percent and the students pay 25 percent, the remainder coming from an "unknown" source titled "contributions."

Intellegence Personnel

While to learn of all American Central Intelligence activity in Egypt is by the nature of the case to be considered out of the question, learning the names of the people working in this agency also comes up against the same difficulty, especially since the American Embassy in Egypt, more than any other embassy, possesses tremendous resources, its activity is surrounded by total obscurity, and the people working in it apply the most precise rules of secrecy, especially since they are deployed in various fields in Egypt, from standing in lines with Egyptian citizens in front of food kiosks and consumer societies to the political decisionmaking agencies in the government.

Nonetheless, it has been possible to "arrive at" knowledge of a number of the names of people who cooperate in one way or another with American agencies these days. Among them are:

Mr Brown, director of the International Development Agency in Cairo.

Mark Silverman, the agency's director of electric and power projects.

Dr Carl Schwartz, the agency's person in charge of education and training.

Thomas Welsh, financing expert in the Fund for Development of Egyptian Village.

Dr Muriel Shott, director of the agency's Health Bureau.

Dr Eugene Wallen, advisor to the Industrialization Authority for environmental affairs.

Alex Douglas, mechanical engineer.

Safwat al-Sharif (Egyptian), chairman of the Federation of Radio and Television.

Dr 'Abd-al-Malik 'Awdah, dean of the Faculty of Economics and Political Science and the Media.

Dr 'Abd-al-'Aziz al-Sayyid, former director of 'Ayn Shams University.

Ra'uf Yusuf, director of the agency's Commedity Department.

Amani al-Dafrawi, secretary in the agency's American Cultural Center.

Majdi-al-Din 'Abd-al-Jawad, economic development expert.

Muhammad Sharaf, person in charge of family planning in the General Information Authority.

Dr 'Abd-al-'Aziz al-Ghinam, director of the Neumann Institute in Cairo.

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IRAQ

TRADE WITH FRG STEPPED UP

London 8 DAYS in English 11 Apr 81 p 56

[Text]

WEST GERMAN companies have won a string of orders from Iraq with a total value of at least DM1.4bn (\$660m).

The contracts — for highway construction and a cement works — reflect lraq's ambitious plans for reconstruction and infrastructural investment, and are the latest in a flood of Iraqi orders placed with German companies,

Executives from the Munich-based company Dyckerhof and Widman disclosed on 2 April that, together with another construction specialist, Bilfinger und Berger, it had won an order worth some DM900m (\$427m) for a 120km fast lane highway, complete with bridges, to be built near Basra. This is close to the war zone in the Iran-Iraq conflict.

Industrial officials said that a second highway contract has been clinched between Iraq and a consortium including Strabag and Pulensky und Zoellner of Germany and Universale of Austria. Company executives could not officially confirm the order, apparently because they are waiting for a full report from their

representative offices in Iraq. But it is understood that the contract is for a road near the Jordanian border, and that its value approaches that of the other highway order.

The cement works is to be built at a cost of DM500m (\$237m) by KHD Humboldt Wedag of Cologne, a subsidiary of Kloeckner Humboldt Deutz. KHD executives announced that the Iraqi ministry of industry and minerals had ordered the turnkey project which, when it comes on stream in 1984, should have an annual output of 2m tonnes of cement. It will be built in southwest Iraq at a town called Samawa.

The revival in German trade with lraq—despite the Iran-Iraq conflict—is at least partly due to the willingness of Hermes, the German export credit insurance organisation, to resume credit guarantees for the country. Hermes had in the early stages of the war frozen a number of formal applications for credits but recently relented on condition that orders involved were not in the immediate war zone.

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KUWAIT

CAPITAL RISE FOR KFAEC REPORTED

London 8 DAYS in English 11 Apr 81 p 48

[Text] Third World media reports on the aid possibilities to developing countries opened up by the KFAED's doubling of its cpairal, and analyses its policies and aims.

11H: KUWAIT Fund for Arab Economic Development (KFAED), which pioneered help by rich oil states to less fortunate developing countries, is celebrating its twentieth anniversary by doubling its capital to Kuwaiti dinars 2bn (\$7.3bn). Despite the Fund's misleading title, both Arab and non-Arab states will benefit from the boost in resources.

The decision to double the Fund's capital was taken in February and will put it even further ahead of other national or multilateral Arab funds. In terms of its capital to staff ratio KFAED now compares favourably even with its early mentor, the World Bank.

In some respects the increase was expected. A number of Arab and other institutions, including the World Bank, have negotiated a doubling of their capital since 1979. The Kuwait Fund did not want to be left behind. Although the Fund is empowered to borrow to boost its financial resources, such borrowing would have been mappropriate given the increase in Kuwait's financial surplus in the past two years. On a more practical level the Fund's commitments by the end of last year had exceeded two-thirds of its capital, and it is usual for aid institutions to start thinking about replenishment when they have spent that much of their resources.

In terms of the volume of its lending, KFAED's replenishment should have a significant impact on the international scene. But that impact cannot be measured in terms of volume alone. Despite its close links with the World Bank there are many areas in which, for better or worse, the

Kuwait Fund establishes its own rules.

One example is the scope of the Fund's grant element and lending limits. The Fund's charter allows it to lend without interest, making only a 0.5 per cent service charge. It can also lend for up to 50 years. In practice however the terms of each individual loan are tailored to the recipient's needs. A recent loan to Morocco, for instance, carried 7 per cent interest, maturing in 16 years. A loan to Mauritania, in contrast, was for 25 years, with five years grace, interest free. The Fund's latest annual report, just released. shows that the grant element in loans for the year ending June 1980 ranged from 27 to 61 per cent.

The Fund also believes in flexibility over lending limits. Where the World Bank will usually only lend up to 25-30 per cent of the overall cost of a project, the Kuwait Fund will often go as high as 50 per cent. This is particularly useful for countries which are very poor, or politically isolated. For example, when KFAED lent South Yemen funds for a new airport, it was the only external financier and provided 47 per cent of the total project cost. But even the 50 per cent rule is not rigid. It has also agreed to provide KD1.5m (\$5.5m) towards the purchase and insurance of four cargo ships for the Maldives, which will cost an estimated KD1.6m (\$5.8m) in all.

The Fund has also made a name for itself in financing cost over-runs. Most agencies find themselves forced to make supplementary loans for projects these days because of escalating costs, but the Kuwaii

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Fund is more open about it than most. Four of the loans it has made in the last four months have been second or even third contributions to projects which have already received KFAED cash.

KFAED's highly articulate director, Abdlatif al Hamad, does not deny that the Fund is an extension of Kuwaiti foreign policy, and this is another crucial area in which the Fund has a character of its own. For tiny, vulnerable Kuwait, foreign policy means acquiring the widest circle of friends. But the most valued of those friends are bound to be Arab and, it is no secret that a large proportion of KFAED lending goes to Arab states.

By mid-1980 nearly 65 per cent of cumulative loan commitments had gone to Arab beneficiaries, including Kuwait's relatively affluent neighbours. Bahrain and Oman, Since 1974, however, the Fund has been allowed to lend to non-Arab countries and the latest annual report shows that in 1979-80 non-Arab recipients took 58.5 per cent of total loans.

The Fund has inevitably taken time to gain experience outside the Arab world. It still concentrates mainly on Africa and Asia, leaving Latin America alone. But even in the target area, new recipients are still emerging, as in the case of Zimbabwe—which has just received a KFAED grant

to finance a feasibility study for an irrigation scheme.

The question now is whether the Fund will capitalise on its prestige and experience. If capitalisation means greater lending, then the answer is that it probably will. Last year's performance, taken in isolation, was not outstanding. In fact loans fell from a record of over KD100m (\$365m) in 1978-79 to less than three-quarters of that the following year. But projects have to be appraised before they can be financed and the number of projects in any agency's pipeline is liable to fluctuate from year to year. According to the annual report 22 projects were already under consideration at the end of 1979-80, which could point to a resurgence of lending in the current financial year.

As far as the financing of different types of ventures is concerned, for example lending for regional, health or education projects, or providing structural adjustment programme loans, then the Fund still has some way to go. Its only experiment in any of these fields was its loan to the Senegal River basin project, which required the guarantees of Mali, Mauritania and Senegal. Even there KFAED was nervous about its involvement and waited for a lead from West Germany before taking part.

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C.

MOROCCO

MOROCCAN PHOSPHATES: A FORMIDABLE STAKE

Paris JEUNE AFRIQUE in French 15 Apr 81 pp 38-39

[Article by Philippe Simonnot]

[Text] "Amazine" -- "staggering" -- those are the kinds of estimates coming from high officials of the French Ministry of Industry, back from a study mission on Moroccan phosphates. Regarding the agency which handles phosphate development, the Moroccan Phosphates Office (OCP), they said it is "remarkably well run." They added, "The unfavorable prejudices of a technical nature which we had before this trip are gone for the most part, and in our opinion France would be making a serious mistake to lose interest in Moroccan phosphates. But the financiers have yet to be convinced of that."

It is rare for technocrats to show enthusiasm. The enthusiasm of the French ones is all the more remarkable since it contrasts with the more lukewarm opinion of World Bank experts in their confidential report on the Moroccan economy (30 December 1980). The World Bank certainly recognizes that the OCP development program is economically justified. Nevertheless, the Bank is worried, feeling as it does that long-term objectives have been "poorly defined." In the secret report one can read that "the techniques for producing phosphoric acid do not seem to have been completely mastered in the new Maroc-Phosphore I plants, which are operating at only 55 percent of their theoretical capacity." As for the OCP, it objects completely to that percentage figure, asserting that the capacity referred to is 85 percent, and it adds, "Ten years ago the World Bank already wanted to discourage us from undertaking the production of phosphoric acid; it was seriously wrong and it is still wrong." Whereupon the OCP goes on to cast doubt on the objectivity of the Bank's experts in the phosphate area.

American Aggression?

As for the arguments elaborated by Mohamed Karim-Lamrani's team, Karim-Lamrani being the OCP's director, they can be summarized as follows: given world population growth and increased food needs, fertilizer will be in greater and greater demand. World consumption of phosphates will continue to increase at the rate of 5 percent per year. Seeing as international trade is increasing a little more rapidly than that, an increase of 5.5 percent in world phosphate exports can be counted on for the 1980-1985 period.

26

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These exports include ore (projected increase: 2.1-2.2 percent per year), and derived products)projected increase: 11-12 percent per year). The OPC is launching quite an enormous investment program in order to be in on the latter market, with its much more rapid growth and higher value added. The investment program is not only to mine deposits but also for processing plants. These percentages end up as results in absolute value terms which are recorded in the table below. The third column of the table is particularly interesting: it shows that the world export market for phosphate ores will increase 9.9 million tons between now and 1985, while the market for derived products will have grown by 22 million tons!

On the Horizon For 1985

figures are millions of tons of phosphates

	<u>1978</u> (a)	1985	Increase from 1978 to 1985
World Consumption	122.6	172	50.6
World Exports (total)	68	98.9	30.9
- ores	51.4	60.3	9.9
- derived products	16.6	38.6	22
Moroccan exports (total)	19.2	32.6	13.4
- ores	17.6	22.9	5.3
- derived products	1.6	9.7	8.1(b)

- (a) We have taken 1978 as the reference year since 1979 showed an abnormally high increase which was followed by a settling back in 1980.
- (b) There is 3 million tons of processing capacity already in place (Maroc-Chimie, Maroc-Phosphore I).

The whole question is knowing if these two markets will allow Morocco and other phosphate-exporting countries to find enough room on the international economic scene without running the risk of overproduction. Overproduction could cause prices to fall, which would seriously jeopardize the profitability of invested capital.

Regarding the market for phosphate ores, the OCP does not expect large increases in exports on the part of its competitors. All of them, even Togo with its surplus 500,000 to 600,000 tons, should find buyers. "Aggressive" trade behavior is always a possibility, particularly on the part of the United States, but the Moroccans say they are ready for a fight: according to the OCP the actual cost price of a ton of ore in the new American mines is \$40 (compared to \$25 in the old mines which are well on the way to being used up). Given freight costs (\$12 a ton), the delivery price in European ports is \$52, considerably higher than the cost price of Moroccan phosphates which are easier to mine.

But what is the actual cost of production of Moroccan phosphates? We asked that question in every imaginable way. It was no good. The OCP jealously guards its secrets, and that includes from high-level French civil servants, as we were able to observe. This is logical in that the Moroccans have no reason for revealing what their competitors hide.

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Question of Confidence

According to Moroccan forecasts, in the second market, the market for derived products, the competitors' plans show increases of 1,000,000 tons in the United States, 400,000 tons in Jordan, 300,000 tons in Iraq, 200,000 tons in Senegal, 165,000 tons in Tunisia, 100,000 tons in Israel, etc., amounting to a total of 2.3 million tons of processed products, corresponding to 8.5 million tons of ore being processed. If one adds the OCP's plans (8.1 million additional tons of processed phosphates) one ends up with a total of 16.6 million tons, 3.4 million tons lower than the projected world increase (22 million tons). To the OCP this margin seems sufficient for them not to fear a price war.

If these calculations are correct, the OCP's investment program (\$6 billion) seems in fact assured of being profitable. But out of those \$6 billion, \$3 billion are slated for equipment imports, and therefore for outlays in foreign currency. Hence the appeal to France to finance imports which could be supplied in very large part by French companies.

Up until now there has been foot-dragging among French financiers. This is firstly because the Moroccan economy is already heavily in debt (\$7 billion at the end of 1980) and that service on this debt (interest and amortized principal) runs over \$1 billion a year. Next this is because France is heavily committed financially in Morocco. So any increase in the "Moroccan risk" in French external financing is looked at unfavorably, all the more so since French external finances are in a rather bad state since the "second oil shock." Moreover, that was the substance of what Prime Minister Raymond Barre said at the time of his visit to Morocco (Issue 1048 of JEUNE AFRIQUE), even while he was showing a strong interest in the OCP's plans.

Nevertheless, going beyond economic and financial calculations, the French are faced with a political and strategic problem: what confidence can one have in Morocco's future?

Lifting Secrecy

Therefore, France would like to know more, particularly about the production costs of Moroccan phosphates, before it loosens its pursestrings. But also it would like to see specific guarantees offered, for example, direct access to the raw material for its chemical industries.

And it might happen that the OCP will lift its secrecy regarding costs once financial negotiations with France are underway. But regarding direct access to raw materials, the French have encountered very strong and "touchy" resistance on the part of the people they are dealing with. Nevertheless, the Moroccans are in a hurry to obtain a decision. It is easy to understand why: if Morocco, which has three-quarters of world phosphate reserves at its disposal, could announce today that it were actually starting up full tilt on the program described above, this would undoubtedly have the effect of deterring less well-endowed competitors from trying their luck. The risk of overproduction and price collapse would be reduced accordingly. Thus the speed of decisionmaking and implementation is one of the factors in the OCP's success, and that is not the least fascinating aspect of this tremendously important business.

However, there is no decision expected for several months on the French end where there are other worries.

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9631

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28

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TUNISIA

SURVEY OF TUNISIAN POLITICAL CLASS

Paris JEUNE AFRIQUE in French 15 Apr 81 pp 28-31

[Article by JEUNE AFRIQUE correspondent in Tunis, Souhayr Belhassen: "Tunisia: The Men of the Future"]

[Text] The senior politicians are still around. But the political class is getting younger. The heirs apparent are already in power and the junior members, most of them in the opposition, are growing impatient.

Like sunshine and blue skies, olive trees and the siesta, politics is part of life on the shores of the Mediterranean. From ancient Athens to today's Corsica, from Beirut to Tunis, the passion for "res publica," things public, has not diminished over the centuries. There is an additional aspect to this on Tunisian shores: continuous discussion of rumors. As early as the first century B.C., Sallust, the Roman historian, was annoyed at that Carthagian custom. And an Egyptian who a few years ago was visiting Bourguiba's country for the first time was surprised to hear people he spoke with talk to him only about politics.

The terraces of the Cafe de Paris and Hotel Africa in Tunis are well known for being inexhaustible sources for police reports, not to mention the benches in market stalls, evening gatherings among friends and the "Arab telephone" [grapevine]. A very popular national game consists of exchanging pieces of information about "the" impending cabinet reshuffle shortly after one has taken place, and of course "it" is assumed to be certain, imminent, and extensive. Sometimes the succession of rumors does not even give ministers time to settle into their jobs. One would think that Tunisians get bored, or that they have a permanent irrepressible need to change shows.

However, in spite of this desire of the people for frequent change, there are officials who stay on the job for a long time. Furthermore, there is the surprising fact, in a country where everyone gets involved in politics, that there are only a small number of real leaders, between 220 and 350 persons according to the well-informed calculations done by our correspondent in Tunis.

The notion of a "political class" is not an easy one to have accepted. Nevertheless, between those who govern, and their lieutenants, and the opposition, and their supporters, there is a common denominator: the interest they have in power. Some exercise it. Others aspire to exercise it, or, at the very least, attempt to shift the course of events in the direction of their convictions. Without going so far as to

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claim that members of this political class are part of one club, one can make the observation that they recognize each other as allies or adversaries, that they use a common vocabulary, that they try to compel respect for a code of behavior, and that they all declare themselves to be serving the "public good." In the case of Tunisia, the study of this "class" has led us to conclusions which are at the very least interesting ones.

On 3 August Habib Bourguiba, president for life of the Republic of Tunisia, will officially be 78 years old. His wife, Mrs Wassila Bourguiba, is 69. Habib Achour, who has been out of trade union leadership since 1978, is not letting go. From his residence, which is under surveillance, he is defying the government at age 68 by putting himself forward as a candidate for secretary general of the UGTT (Tunisian General Federation of Labor) in spite of the legal obstacles raised against him (Issue 1057 of JEUNE AFRIQUE). Dr Sadok Mokaddem, president of the National Assembly, is 65.

As for Bechir Zarglayoun, unquestioning friend of the chief of state and chairman of the Council of Veteran Militants, he is 68, the age that his position would indicate. For a long time the Communist Party (banned since 1963) had Mohamed Ennafaa, who is 63 years old today, as its secretary general. Has Tunisia slowly slid towards gerontocracy, a quarter century after proclaiming its independence (20 March 1956) at which time it prided itself on having the youngest government team in power (Bechir-Ben Yahmed was its minister of information at 26)?

The answer is in the negative. Mohamed Mzali, who was named prime minister in April 1980, is only 55 today, and the average age in the government is 51. It really does seem that power is passing into the hands of that generation. The closer one looks, the more one sees that the Tunisian political class is getting younger, as much so among the established power structure as among those contesting that establishment, dissidents or opposition: average age in the political class is 49. Ahmed Mestiri, Ahmed Ben Salah, Hassib Ben Ammar, and Mohamed Masmoudi, all broken away from the Destourian Socialist Party, are 55 on the average. The Communist Party, for its part, has just changed leadership, and its new secretary general, Mohamed Harmel (Issue 1055 of JEUNE AFRIQUE) is only 51. And the national committee which is making preparations for the UGTT congress is run by the son of Farhat Hached (assassinated in 1952), and Noureddine Hached is still only 37!

The Tunisian political class includes men and women whom we have ranked in four age groups. The Seniors are 60 and over. Then come those whom we call the Elders between 50 and 60. Then the Juniors, 40 to 50. Finally the Cadets from 30 to 40. In addition there are some Benjamins under 30 but it proved to be difficult to draw up a list of them comparable to the other age groups.

The most important thing shown by the survey is that nowadays most numerous in government and in the opposition are Elders and Juniors. More specifically, there is a majority aged 45 to 55. Secondly, the way opposition has diversified, a phenomenon which started appearing 10 years ago, has set up a certain balance in the political class. From a limited list of genuine leaders on the Tunisian scene, one finds 126 names belonging to the government and 97 in the opposition, or "elsewhere" as Michel Jobert would say. For those two sides to switch places is not a fantastic notion, and in that idea, provided that some rules are respected, is a sign of good health.

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And here is a third fact which will definitely make for reflection in the political class: the government has less of a base in the Cadet category (under 40) than does the opposition. For one thing, it is easier to grow old in one's job in the government than in the opposition. From this standpoint Habib Achour is all the more unusual a case since he has only been in the opposition about 4 years. For another, people in jobs give positions of responsibility less rapidly to their juniors, even outside the government, in the party or among businessmen. For example, Ferdjani Belhadj Ammar, president of the employers' association, is 66.

On the other hand, although in the Islamic movements Mohamed Salah Ennifer is a patriarch figure looking down from his age of 80, the real leaders are clearly younger: Rached Ghannouchi is 51, and Abdelfattah Mourou and Hassen Ghodhbani are 36! Speaking overall, a third of the opposition leaders are under 40 compared with 7 percent of the government's political cadres.

How did these men and women get into politics? Important national events had a profound influence on the different groups. Thus, those whom we called the Seniors were born in 1920 at the latest and came of age before or at the beginning of the World War II. They experienced the harsh colonial period and took an active part in the national liberation movement. They were marked by the events which preceded independence (1956).

The ones who are between 50 and 60 today reached adulthood between 1940 and 1950. They were actors in or witnesses of the last stage of decolonization, and they were imbued with events relating to the building of the new independent state, and to the Algerian war and its repercussions in Tunisia.

The ones who are between 40 and 50 today became adults between 1950 and 1960. They represent an inbetween generation. In it one can find at the same time those who knew the last phase of the struggle for liberation well and those whose activity only started at the time Tunisia officially opted for socialism. This is a generation clearly marked by the links between socialism, development and the state. Whether they are supporters of a liberal economy or of socialism, its representatives generally grant the state an important role.

On the other hand, the ones who are from 30 to 40 today were 20 between 1960 and 1970, that is to say, during the decade which saw the greatest number of critical opinion at the same time as the advantages and drawbacks of a liberal economy. These Cadets of the political class (20 percent of the whole class) are obsessed with the problems presented by the relations between citizens and the state. So it is not surprising that among their ranks they include more people contesting than supporting the established order.

Thus, by an extreme simplification of this outline one can put forward the suggestion that the initial impetus which threw these men and women into the political arena had its origins in nationalism for the Seniors, in the establishment of independence among the Elders, in socialism among the Juniors, and in aspiring to democracy among the Cadets. Obviously that does not mean that if one is a democrat one is not a nationalist. But it does mean that nowadays to enter politics one must be a democrat if one does not want to be bucking the tide. The Mzali government, which has made democratization its goal, has certainly understood that.

31

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Once the impetus was there, pathways to follow vary from one age group to another. Two facts clearly stand out from the study of the Tunisian political class: the lower the age, the higher the level of education. Nobody required the Seniors to have a doctorate in order to fight against colonialism. However, the political class has a tendency to identify with the elite. Even in the ruling bodies of the trade unions, people take great pride in being ranked among university graduates. While for the veterans their stay in prison was their diploma, it is very difficult to get a Junior to admit that he does not have a baccalaureate.

Secondly, the more opposition an age group includes, the greater the proportion of professionals. That proportion is 40 percent among the oldest group, which opposed colonialism, and is 34 percent among today's Cadets. It falls to 18 percent and 13 percent respectively among the Elders, who were snatched up by government service, and among the Juniors, who were drawn by state socialism. So the high overall proportion of civil servants (40 percent) in the political class should not be misinterpreted: the civil servants are mainly in the 40-60 age group. Their example does not appeal very much to the Cadets.

We have two final observations, on home regions and on women. The proportion of professionals is echoed in the breakdown by home region: the more opposition is included in an age group, the greater the number of politicians there are in that age group who come from the Tunis region — in the capital it is easier to carry on public service work (percentages from Tunis are 28 percent among the Seniors and 41 percent among the Cadets). Among those two age groups the Sahel area, where President Bourguiba comes from, has carved out a good share for itself — 28 percent of the "politicos," more of them in the government than outside it. On the other hand, the Sfax area, the country's number two region from the standpoint of population and economic activity, is despite the general impression only represented by 10 percent at the most (except for Juniors among whom the proportion is 14 percent). Might it be that the people of Sfax prefer making money? Or might it be that they are the poor relations of politics?

Could that be evidence of how serious the ten percent is about politics? If so, that same commendation should be given to women in politics, who are represented in all the age groups, and whose numbers never go over ten percent of the political class. Nevertheless, that percentage deserves to be paid special tribute, since—the activism of women is the result of neither comforts of public service nor a higher level of education, because those two factors have not changed the percentage at all.

Through this bundle of facts one can sketch out a picture of tomorrow's political animal. More likely a man than a woman, he is about 40, give or take a few years. Nowadays he is anti-establishment and a supporter of rapid democratization. He is likely to have an egalitarian outlook if not an altogether socialist one, and he is keen on protecting the country's Arab and Moslem character. He has done his military service but is not militaristic. He has a high level of education and is likely to have a profession. He lives in Tunis but keeps up regular ties with the region he comes from, particularly if that is Sfax or the southwestern regions. If he is a modelate he knows that in order to survive the government needs men of his generation. If he is very committed he believes in the need for a change in the methods of government and he is working to make that inevitable.

Barring a chance mishap upsetting the political scene, tomorrow's men are not unknowns. They have already entered the arena. The less they are tkaing part in the government,

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the more they are inclined to pound their fists on the table. Perhaps a green baize should be hurriedly spread out on that table.

One Party Congress is Wiping Out the Other

The 11th party congress of the PSD (Destourian Socialist Party) opened in Tunis on 10 April. The preceding conference (September 1979) had put its stamp of approval on ex-prime minister Hedi Nouira's crew, which was all immediately thrown back into question by President Bourguiba himself. Since then the new prime minister, Mohamed Mzali, has been named secretary general of the party, and Mongi Kooli has replaced Mohamed Sayah as PSD director. It was becoming essential to change administrative staffs. Hence this congress -- a special one -- which met officially to study preparations for the sixth 5-year plan (1982-1986).

Two-thirds of the 1,037 representatives elected to the party congress are either young and have not yet held positions of responsibility or are Destourians who had been away from the party for a decade. If one were to look at only the social origins of the delegates, it would appear that the party was once more becoming an organization in which the middle class was dominant. A spectacular number of businessmen had gained entry in Mr Nouira's time but there are no longer so many of them among the representatives to the congress. Also the election ordeal was difficult for those who were somewhat removed from the grass roots or who did not have good press, since each candidate, whatever his ranking in the party hierarchy, had to present himself before his particular party cell.

If balloting remains open the election of the Central Committee could hold some surprises. Out of around 200 candidates the Political Bureau has only endorsed 120 for 80 posts to be filled. The president will choose no more than 20 of these elected representatives but will choose a dozen to form the Political Bureau. Contrary to tradition, Bourguiba is himself presiding over the congress and is delegating the supervision of its proceedings to Mohamed Mzali. That shows the importance the president places on this conference, and people are wondering a few days now after its opening, what indications he might give about the government's orientation. Is he really going to be heading for the political opening-up which has been talked a bout for a year?

The stakes are considerable, for it is a matter of whether Bourguiba's party and his crew are going to carry out change themselves or external constraints forcing it on them. That is the meaning which has to be attributed to the MDS (Movement of Democratic Socialists) provisional committee's statement made public on the eve of the PSD congress. While expressing its pleasure at the initiatives taken by the government, the MDS feels that they are only limited and proposes that national political forces agree on a proclamation of general amnesty and on convening a national conference in which all political currents supporting democracy would be represented. That conference would define the basis for the practice of democracy and require the replacement of the National Assembly under the aegis of a coalition government.

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9631 END CSO: 4800/54 33